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Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development

Resumed organizational session

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Items 3 and 4 of the provisional agenda*

**Consultations of the Bureau of the Preparatory Committee
with all relevant stakeholders on the modalities of their
participation, including the possibility of creating a joint task
force, in both the substantive preparatory process and the
high-level international event**

**Preparation for the substantive preparatory process and the
high-level international event**

Modalities of the participation of all relevant stakeholders in the substantive preparatory process and the high-level intergovernmental event on financing for development

Report of the Bureau of the Preparatory Committee

1. The General Assembly, in paragraph 10 of resolution 54/196 of 22 December 1999, requested the Bureau of the Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development to undertake a process of consultations with all relevant stakeholders on the modalities of their participation in both the substantive preparations and the high-level intergovernmental event, which is referred to herein as the financing for development process or FfD. The Assembly also requested the Bureau to submit proposals to the Preparatory Committee at its resumed organizational session on the modalities of participation of all relevant stakeholders. However, owing to the delay in the selection of the Bureau, not all aspects of the consultation process could be covered within this time-frame.
2. The General Assembly had requested, as well, that the Secretary-General initiate preliminary contacts with stakeholders before the Bureau of the Preparatory Committee was formed, the outcomes of which were reported upon earlier (see report of the Secretary-General on consultations on the potential modalities of the participation of all relevant stakeholders in both the substantive preparatory process and the high-level intergovernmental event on financing for development (A/AC.257/1)). The Bureau has built upon those contacts and is thus able to make a number of recommendations at this point.¹ However, as has been indicated, additional consultations that are necessary to this process could not be completed in the short time

* A/AC.257/3/Rev.1.



between the conclusion of the organizational session of the Preparatory Committee and the scheduled beginning of the resumed organizational session.

3. Indeed, our first recommendation is that the Preparatory Committee make provision to receive a subsequent set of recommendations from the Bureau, bearing in particular on the modalities for the participation in the financing for development process of certain official institutional stakeholders. As referred in the following paragraphs, the Bureau is pleased to report that it had a fruitful interchange with the Board of Executive Directors of the World Bank in Washington, D.C., on 15 March 2000, but it has not yet received definitive replies to its requests to discuss these issues at the intergovernmental level with the International Monetary Fund (IMF) and the World Trade Organization. The paragraphs that follow thus contain the initial ideas of the Bureau on modalities of participation with the major categories of stakeholders in the FfD process, as named in General Assembly resolution 54/196.

Member and observer States

4. It is the understanding of the Bureau, based on General Assembly resolutions 54/196, 53/173 and 52/179, as well as the report of the Ad Hoc Open-ended Working Group of the General Assembly on Financing for Development,² that the high-level event on financing for development will be a meeting of the Member States of the United Nations, to which observer States would be invited. As decided by the Assembly in resolution 54/196, States should be represented at the event by "political decision makers, at least at the ministerial level" (para. 2). In the same resolution, the Assembly decided that the Preparatory Committee would be open to all States (para. 5). In this regard, all decisions to be taken by the high-level event and the Preparatory Committee will be decisions of States.

5. In the Bureau's own discussions about modalities of participation of various institutional partners, the Bureau found it useful to refer back to the first principles enumerated above. It is envisaged that a rich set of consultations will take place with international organizations. Likewise, an intensive and multifaceted set of interactions with non-governmental stakeholders is envisaged, drawing as well on the expertise in the various units of the Secretariat of the United Nations

and other organizations, independent experts in research institutions and academia. Ultimately, however, all decisions to be made in the financing for development process are the responsibility of States. It was with this in view that the Assembly, in resolution 54/196, invited Member States to "consider sending experts to participate in the preparatory process" as part of their national delegations (see para. 13).

The Bretton Woods institutions and the World Trade Organization

6. In exploring modalities of cooperation with the Bretton Woods institutions and the World Trade Organization at intergovernmental level, the Bureau has come to appreciate differences in the modes of operation of the United Nations, the Bretton Woods institutions and the World Trade Organization. As there are legal and organizational differences between each of the institutions, as well as vis-à-vis the United Nations, it appears that separate modalities for the participation in FfD of the Executive Board of IMF, the Board of Executive Directors of the World Bank and the Council of the World Trade Organization may be warranted.

7. As was indicated above, on 15 March 2000, the Bureau travelled to Washington, D.C., to meet with the Board of Executive Directors of the World Bank. At that meeting, which took place in a friendly and constructive atmosphere, the Dean of the Board, on its behalf, proposed a three-tier consultative intergovernmental mechanism, as follows:

(a) Bureau-Board consultations: to anchor the process, both the United Nations and the Bank would conduct periodic consultations similar to this meeting at critical junctures in the process, in which the entire Bureau and Board would meet for broad-based discussions. The number of meetings was not yet determined but could be linked to the number of Preparatory Committee meetings;

(b) Informal consultations: both the Bank and the United Nations would continue to build on informal contacts that have been developing among members of the Bureau and the Board with the intention of establishing closer contacts at the level of individual delegations and the various groupings on both sides. These informal consultations, which would not be in

lieu of formal consultations, would be as inclusive and transparent as possible;

(c) Bank team: the Bank would designate a senior-level team from within Bank management and staff to consult with the Bureau and ensure regular and full collaboration, in recognition of the need to maintain a close ongoing working relationship. This management team would work extremely closely with the Board and hold regular consultations to keep communications fully in line. Members of the team would also be seconded to work directly with the United Nations coordinating secretariat.

8. The Bureau has examined this World Bank proposal in the light of the objective of promoting the holistic nature of the financing for development process and the interactive nature of the dialogue with all stakeholders. We regard the proposal as helpful and recommend it for consideration by the Preparatory Committee, on the understanding that equal efforts will be made towards interactive dialogue with IMF and the World Trade Organization.

9. Consultations of the Bureau with IMF and the World Trade Organization are therefore being vigorously pursued. The Acting Managing Director of the International Monetary Fund, in a letter dated 21 March 2000, has informed the Co-Chairs that the IMF Executive Board is presently being consulted on the matter and that, as soon as these consultations are complete, they will be ready to discuss with the Bureau how they can cooperate in this important initiative. It is thus hoped that arrangements with the Fund for consultations with its Executive Board can be completed soon. In addition, the Bureau is engaged in discussions with the World Trade Organization about modalities for an appropriate interaction at intergovernmental level, including a possible videoconference.

10. The above notwithstanding, it is the recommendation of the Bureau that all three institutions be welcome to participate in the meetings of the Preparatory Committee on the same basis as the Bretton Woods institutions, which regularly participate in meetings of the relevant committees of the General Assembly. Moreover, based on communications between management of the institutions and the United Nations Secretariat, the Bureau looks forward to technical and substantive support to the FfD process from staff of each institution.

UNCTAD and the regional commissions

11. In resolution 54/196, the General Assembly requested contributions of UNCTAD and the regional commissions to the FfD process. The Bureau would also like to suggest, in this regard, that the FfD process would be enriched by the holding of a series of regional consultative meetings, the results of each of which would be reported to the Preparatory Committee. The Bureau thus recommends that the Preparatory Committee request the regional commissions, in conjunction with the regional development banks and UNCTAD, to organize such consultations during the second half of 2000 on substantive matters before the Preparatory Committee.

12. In appreciation of the diversity of regional and subregional organizations and interests, it is suggested that the planning of the regional consultations be left to the aforementioned institutions, under the overall coordination of the FfD coordinating secretariat in New York, which is to keep the Bureau informed of planned activities. It would be warranted as well to include an interaction with non-governmental stakeholders as one component in the regional consultations process (see below).

Other official stakeholders

13. Several official international institutions have expressed interest in supporting the FfD process. It is our recommendation that intergovernmental organizations, the specialized agencies and funds and programmes of the United Nations be invited to participate in the FfD process in the same manner that they are invited to participate in the work of the General Assembly. In addition, favourable consideration should be given by the Preparatory Committee to participation of other relevant official or quasi-official organizations or bodies, such as the Bank for International Settlements, regional organizations of central banks, international associations of financial sector supervisors or regulators, and similar entities. Support by some of these entities to the FfD coordinating secretariat is envisaged as well.

Other stakeholders

14. From the very start of the process of consideration of financing for development, the General Assembly made clear its intention to fully involve all relevant stakeholders. In addition to the official stakeholders noted above, modalities are required for the appropriate involvement of other stakeholders, notably non-governmental organizations and the business sector. The Bureau envisages three modalities of participation of non-official stakeholders: in **meetings** of the Preparatory Committee and the high-level event; in **hearings** and other forms of consultation and dialogue; and in **communications** with the Secretariat.

15. Regarding the first modality, it is envisaged that non-governmental organizations could be accredited to the Preparatory Committee and the high-level event and that, as such, they would be welcome to attend formal meetings. Accredited non-governmental organizations would be invited to submit written statements to the Preparatory Committee.

16. Participation would be open to non-governmental organizations currently in consultative status with the Economic and Social Council. Other non-governmental organizations and business sector entities would be welcome to apply to the Preparatory Committee for consultative status.³ Applications for accreditation should be submitted by 1 January 2001 to a committee composed of the Bureau of the Preparatory Committee and the coordinating secretariat and should contain, in the case of non-governmental organizations, the following information:

(a) The purpose of the organization;

(b) Information identifying the programmes and activities of the organization in areas relevant to the subject of the high-level event and indicating in which country or countries they are carried out;

(c) Confirmation of the activities of the organization at the national, regional or international levels;

(d) Copies of annual or other reports of the organization, with financial statements and a list of financial sources and contributions, including governmental contributions;

(e) A list of the members of the governing body of the organization and their countries of nationality;

(f) A description of the membership of the organization, indicating the total number of members, the names of organizations that are members and their geographical distribution;

(g) A copy of the constitution and/or by-laws of the organization.

The Bureau would decide on a no-objection basis regarding accreditation of these non-governmental organizations and inform the Preparatory Committee. The coordinating secretariat will disseminate widely to the community of non-governmental organizations all available information on accreditation procedures.

17. The proposed second modality of participation of non-official stakeholders is for the Preparatory Committee to hold two sets of "hearings" in the fourth quarter of 2000 in New York, each of two days' duration, comprising morning and afternoon panel sessions. The FfD agenda would define the subjects of the hearings and the coordinating secretariat, acting in consultation with the Bureau, would invite individuals to participate. Participants would give brief statements and engage in a dialogue with Committee members. They would be selected from among non-governmental organization leaders, business leaders, academic and applied researchers, foundation leaders and so on. The coordinating secretariat would prepare a summary report of the hearings for the benefit of the Preparatory Committee.

18. By the same token, the Preparatory Committee should welcome initiatives by non-governmental organizations and other interested parties, *inter alia*, from the business sector, to organize public discussions for informational and analytical purposes in various venues to which members of the Preparatory Committee could be invited to participate in their personal capacity, *inter alia*, at the time of the final event.

19. The third modality of participation draws upon the technology of the Internet and the growing practice of international institutions of seeking comment on policy proposals through "Web-based consultations". Thus, the major documents being considered by the Preparatory Committee might be placed on the FfD web site for comment. Comments received could be edited and distributed to all commentators in an iterative process. A summary of views could be provided to the meetings of the Preparatory Committee, expected to take place in 2001.

20. Taking all the modalities together, the object would be to mobilize as much of the talent, expertise and experience in the world at large as can be reached in order to channel the very best ideas and proposals into the financing for development process.

Notes

¹ The Bureau would like to express its appreciation to the respondents to the Secretariat's Internet questionnaire on modalities for participation by stakeholders, as well as for the communications on the same subject from official and private correspondents. They have been taken into account in the present report.

² See *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 28 (A/54/28)*.

³ The following is taken from E/CN.6/2000/PC/L.4 for Beijing+5.